

P-421/M-89-246APPROVING EXTENSION OF OPTIONAL MEASURED SERVICE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of a Proposal by Northwestern Bell Telephone Company to Extend Optional Measured Pricing of Local Service to its Cambridge Exchange and to the Duluth Hemlock and Island Lake Central Offices

ISSUE DATE: August 4, 1989

DOCKET NO. P-421/M-89-246

ORDER APPROVING EXTENSION OF  
OPTIONAL MEASURED SERVICE

PROCEDURAL HISTORY

On April 20, 1989 Northwestern Bell Telephone Company (Northwestern Bell or the Company) filed a proposal to offer Optional Measured Service to its Cambridge exchange and to customers receiving service from its Duluth Hemlock and Island Lake central offices. The Company had just replaced the switches at these three locations with switches capable of providing Optional Measured Service.

The Department of Public Service (the Department) examined the filing and recommended approval. The Department also recommended that the Commission prohibit the Company from advertising these new extensions of Optional Measured Service, pending completion of the Commission's investigation of the service in Docket No. P-421/CI-88-152, In the Matter of an Investigation into Northwestern Bell Telephone Company's Optional Measured Service Trial Offerings. The Department pointed out that the service might be repriced in that docket and that limiting the number of new Optional Measured Service customers might reduce the customer confusion resulting from such repricing. For the same reason, the Department recommended that the Commission require the Company to refrain from filing future requests to extend Optional Measured Service to new exchanges or central offices until the investigation had been concluded.

No other party commented on the Company's filing.

## FINDINGS AND CONCLUSIONS

The Commission agrees with the Company that Optional Measured Service should be extended to its Cambridge exchange and to customers receiving service from its Duluth Hemlock and Island Lake central offices. A significant number of ratepayers find that Optional Measured Service meets their local service needs more economically than its alternatives. The Commission is unwilling to deny to such ratepayers the benefit of what is for them the most desirable form of local service.

It is true that Optional Measured Service may be repriced as a result of the ongoing investigation. It is also true, however, that an undetermined number of Optional Measured Service customers would likely still find that service the best match for their telecommunications needs. Furthermore, since the Company does not impose a fee for changing from one service to the other, any customers who might switch to flat service in the event of repricing would not have been harmed by their temporary receipt of Optional Measured Service. Finally, customer confusion can be substantially alleviated by carefully drafted customer notices explaining any changes which might occur as a result of the investigation. Under these circumstances, the Commission will allow the Company to proceed with the proposed extensions of Optional Measured Service.

The Commission also agrees with the Company that it would be inappropriate to limit future extensions of Optional Measured Service at this time. Future proposed extensions will be evaluated when filed in light of then-current conditions.

## ORDER

1. The Company's proposal to offer Optional Measured Service in its Cambridge exchange and to customers receiving service from its Duluth Hemlock and Island Lake central offices is approved.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

(S E A L)